

# EXHIBIT A



**U.S. Department of Justice**

*United States Attorney  
Southern District of New York*

---

*The Silvio J. Mollo Building  
One Saint Andrew's Plaza  
New York, New York 10007*

March 23, 2020

**BY ELECTRONIC MAIL**

Lorin L. Reisner, Esq.  
Richard C. Tarlowe, Esq.  
Andrew D. Reich, Esq.  
Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, New York 10019

**Re: United States v. Neil Cole, 19 Cr. 869 (ER)**

Dear Counsel:

Out of an abundance of caution, the Government writes to give the defendant notice that it may offer the evidence described below at the trial in this matter. The Government intends to offer this evidence as direct proof of conduct charged in the Indictment. The Government will also offer this evidence in the alternative pursuant to Rule 404(b) of the Federal Rules of Evidence.

First, the Government may offer evidence regarding an inquiry into potential accounting improprieties at Iconix's predecessor company, Candie's, in or about 1999, and the subsequent settlement that Candie's and Cole entered with the SEC. In April 1999, Candie's auditors at Ernst & Young ("EY") questioned, among other things, certain transactions while auditing Candie's January 31, 1999 financial statements. Specifically, EY raised concerns that approximately \$1.65 million in expense credits that Candie's received from a sourcing agent, Redwood, at the end of the 1998 fiscal year, were improperly offset by a \$1.6 million capital contribution that Candie's made to Redwood at the same time. The expense credits had the effect of moving the company from loss to profitability, while the capital expenditures did not reduce earnings for the quarter.

In response to the concerns raised by EY, Cole and the company's assistant general counsel, Deborah Sorell, prepared a memorandum that summarized EY's concerns. Candie's board of directors also conducted an internal investigation during which they interviewed Cole, among others. The SEC also investigated the allegations and took Cole's testimony on two occasions. During his interviews with the board of directors and in his testimony with the SEC, Cole admitted that he had backdated documents related to the Redwood transactions. In 2003, Cole entered into settlements with the SEC personally and on behalf of Iconix in which he did not contest that Candie's earnings were improperly inflated due to the credits.

By: /S/  
Edward Imperatore  
Scott Hartman  
Jared Lenow  
Assistant United States Attorneys  
(212) 637-2327/2527/1068